



APPRAISAL BULLETIN

PUBLISHED IN THE INTERESTS OF REAL ESTATE ANALYST SUBSCRIBERS BY

JUNE 10
1949

ROY WENZLICK & CO.

Real Estate Economists, Appraisers and Counselors

Volume XVIII

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Number 26

LAND APPRAISING

A month or so ago we asked our subscribers to send us suggestions for Appraisal Bulletins. As a result we have received requests for information on actual appraisals and on the use of appraisal forms. Over a period of years we have developed a set of appraisal forms that we have found to be very helpful to us. These forms deal with 1. the land; all information pertaining to the land is listed on appraisal sheet I; 2. the improvements; all information concerning the improvements is listed on appraisal sheet II; 3. sheet III is used to help show the details of depreciating factors; and 4. sheet IV is used in conjunction with sheets I, II and III in appraising income property. Sheet V contains a summary of values and a layout of the property; in some cases, notes must be written to cover unusual circumstances.

This bulletin will deal with appraisal work sheet I. A filled-out sample of this sheet is shown on page 234. Sheet I lists the address of the property, the owner, the party for whom the appraisal is made and the dates - the date the information is taken and the date the appraisal is made. Farther down the sheet are listed the factors dealing with the specific location, those dealing with the relative location, conditions and facilities affecting the location and the land and, finally, the appraisal of the land itself - either on a front foot or a square foot basis.

Near the upper right-hand corner of this form are two dates, the date the information is taken down and the date the appraisal is made. Aside from providing the obvious advantage of a reference date, the practice of dating the work sheets provides a bench mark for measuring changes that take place in the neighborhood or in factors affecting the neighborhood.

Under the heading "Specific Location" we have listed all of the factors that we consider important in providing a complete description of the location of the property. Included is space for a complete legal description.

Under the heading "Relative Location" are listed the factors affecting the accessibility and convenience of the location and the environment and trends of the neighborhood. It is, of course, impossible to put a dollar valuation on these various factors. They are, however, factors that have important bearing on the general quality of any location and are very useful as a basis for comparing one location with another.

In determining the size of the district to be considered in the appraisal we generally use the census tract in which the property is located. The Bureau of the Census reports also give the necessary data on foreign population, racial influence,



APPRAISAL WORK SHEET - I

ADDRESS OF PROPERTY 476 Woodward APPRAISAL N°
OWNER K. C. Randol AS AT 6-1-49
MADE FOR Sunbeam Savings & Loan Ass'n. MADE 6-1-49
ADDRESS St. Louis, Missouri

SPECIFIC LOCATION

MUNICIPALITY Ferguson COUNTY St. Louis STATE Mo.
INCLUDED IN St. Louis METROPOLITAN AREA
DISTRICT C.B.
SUBDIVISION Deer Creek
DESCRIPTION Lot 5, block 2 of Roswell's Subdivision of Deer Creek

RELATIVE LOCATION

ACCESSIBILITY AND CONVENIENCES	ENVIRONMENT AND TRENDS
DIRECT ACCESS <u>yes</u>	SURROUNDING PROPERTIES <u>bungalows</u>
TO BOULEVARDS <u>on one</u>	DISTRICT BUILT UP <u>40%</u>
TO SUBWAY <u>-</u>	ESTIMATED AGES <u>new to 10 years</u>
TO ELEVATED <u>-</u>	SURROUNDING USES <u>residential</u>
TO STREET CARS <u>2 blks.</u>	DETRIMENTAL USE <u>none</u>
TO BUS <u>3 blks.</u>	PRINCIPAL FOREIGN POPULATION <u>none</u>
TO PARK <u>2 miles</u>	RACIAL INFLUENCE <u>white</u>
TO PLAYGROUND <u>2 miles</u>	% NEGRO POPULATION <u>none</u>
TO CHURCHES: CATHOLIC <u>6 blks.</u>	% HOME OWNERS <u>est. 90%</u>
PROTESTANT <u>5 blks.</u>	S OF L. CLASSIFICATION <u>average to above</u>
JEWISH <u>3 miles</u>	REMARKS <u>-</u>
TO SCHOOLS: GRADE <u>1 blk.</u>	ZONING RESTRICTIONS <u>residential</u>
HIGH <u>5 blks.</u>	DISTRICT STATUS: <u>good</u> IMPROVING <input checked="" type="checkbox"/> STATIONARY <input type="checkbox"/> RETROGRADING <input type="checkbox"/>
PAROCHIAL <u>6 blks.</u>	TRANSITION TO AND TRENDS <u>from farm land to residential</u>
TO DOWNTOWN DISTRICT <u>11 miles</u>	ENCROACHMENTS <u>none</u>
TO BUYING CENTER <u>1 mile</u>	
TO NEIGHBORHOOD STORES <u>2 blks.</u>	

CONDITION AND FACILITIES

WIDTH <u>60'-0"</u>	MAIN STREET <u>concrete</u>
DEPTH <u>150'-0"</u>	SIDE STREET <u>macadam</u>
AREA <u>9000 sq. ft.</u>	OTHER STREETS <u>macadam</u>
SHAPE <u>rectangular</u>	ALLEY <u>none</u>
ABOVE GRADE <u>no</u>	SIDEWALKS <u>yes</u>
BELOW GRADE <u>no</u>	SEWERS <u>yes</u>
TOPOGRAPHY <u>level</u>	WATER <u>yes</u>
GEOLOGICAL FORMATION <u>unknown</u>	GAS <u>yes</u>
TREES <u>shade</u>	ELECTRICITY <u>yes</u>
BUILDING LINE <u>40 ft.</u>	SWITCHING <u>no</u>
REMARKS <u>-</u>	RIPARIAN RIGHTS <u>no</u>

APPRAISAL

APPRAISED VALUE LAND (WORTH) 60 FT. FRONTAGE @ 25- PER FT. \$ 1,500-
OR 9000 SQ. FT. OF AREA @ 16 2/3 PER SQ. FT.
MARKET VARIABLE ☐ ADDITION ☐ DEDUCTION ☐ NONE ☒
APPRAISED MARKET VALUE \$ 1,500-

percentage of Negro population, percentage of home owners, and standard of living classification (average monthly rental in tract).

Nomenclature of most of the factors is easily understood, but perhaps some should be illustrated. For example, we would consider an airport within one mile of a residential property a detrimental use. Commercial or industrial properties located too near to residential areas frequently constitute detrimental use. In fact, the detrimental use may originate from a rather remote spot. In certain sections of St. Louis, home owners have been greatly annoyed by the fall of large quantities of fly ash originating from a point several miles away.

On the line "Transition to and trends" is shown whether or not the district is changing from one type of use to another. In the example shown on page 234 the district is changing from one of small farms to one of residential use. Another transition that frequently takes place is from single-family residential use to rooming houses. Encroachments are most frequently made by incongruous properties or racial groups infiltrating a district. For the past few years on all of our appraisals in several districts of St. Louis we have pointed out that Negro families were moving closer to these districts. We felt that it would be only a matter of time before other Negro families encroached upon the districts in question. The proximity of incongruous groups of families or the incongruous use of properties should always be noted and weighed by the appraiser.

The factors listed under the heading "Conditions and Facilities" are for the most part self-explanatory. The "geological formation" underlying properties is frequently unknown and is so stated on the appraisal. Under some parts of St. Louis and St. Louis County, however, rather extensive areas of fire clay are found. Due to the fact that sooner or later the presence of fire clay may lead to serious settling of foundations, we have made it a practice to make a note of the presence of fire clay when appraising properties in those areas known to be affected. Whenever any unusual sub-soil condition is known to exist it should be noted on the appraisal. Not long ago a client asked us to look over a lot he intended buying for \$2,800. Other appraisals we had made in the neighborhood indicated the possibility of faulty sub-soil conditions. Upon our recommendations, our client had test borings made and found that the sub-soil consisted of rather loose fill. He received an estimate of \$400 for the extra footings necessitated by the faulty sub-soil, and the seller deducted \$400 from the price of the lot.

Another sub-soil condition that may frequently be found is the presence of rock too close to the surface of the ground. In some sections of the St. Louis Area heavy layers of rock are present only 2 feet below the surface. When such conditions are known, it is usually possible to obtain a sizable reduction in the price of the property.

After noting and considering the factors shown on appraisal work sheet I, the actual appraisal of the land is made. Any experienced appraiser is familiar with land values in most of the sections in his town, and since most land is appraised by the comparative method, the above factors form an excellent basis for comparison. When information on recent sales of near-by properties is unavailable, the appraiser may find difficulty in making the appraisal unless he has a firm basis of comparison. This is particularly true if he is appraising land located in an area with which he is unfamiliar.

Without all of the facts concerning the characteristics of the location he is appraising, and the locations he is using for comparison, he is on shaky ground. The practice of listing complete information on every appraisal made soon results in an excellent source of reference material.

After all, the value of any piece of land depends almost entirely upon the characteristics of its location and a fundamental knowledge of these characteristics is mandatory for consistent appraising.

Another factor influencing the value of land is its shape and topography. Since space does not permit a discussion of this phase of land appraising, we will present some of our ideas on this subject in a subsequent bulletin.